

United States General Accounting Office

Report to Congressional Committees

GAO

AD-A263 046



93 4 30 016

March 1991

WORKFORCE ISSUES

Employment Practices in Selected Large Private Companies



This document has been approved
for public release and sale; its
distribution is unlimited.

Reproduced From
Best Available Copy

93-08376



APR 22, 1993

United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-242808

March 13, 1991

The Honorable John Glenn
Chairman, Committee on
Governmental Affairs
United States Senate

The Honorable William L. Clay
Chairman, Committee on
Post Office and Civil Service
House of Representatives

Accession For	
NTIS	CRA&I <input checked="" type="checkbox"/>
DTIC	TAB <input checked="" type="checkbox"/>
Unannounced <input checked="" type="checkbox"/>	
Justification	
By	
Distribution /	
Availability Codes	
Dist	Avail and/or Special
A-1	

DTIC QUALITY INSPECTED

We are undertaking a series of examinations to assess the government's preparedness to attract and retain needed employees now and in the future. As part of this work, we will identify employment practices in the nonfederal sector that may have application in the government.

This report presents data we have developed to date on nonfederal employment practices that we believe will be of interest to you. We obtained the data from a questionnaire survey of large companies with numerous employment locations throughout the country. The questionnaire asked about recruiting and hiring practices, benefit programs, pay practices, and other programs in place or planned to deal with issues such as family concerns, alternatives to traditional work arrangements, older workers, and managing the increasingly diverse workforce.

We will issue further reports as we obtain more in-depth information on approaches nonfederal employers are using to enhance their ability to maintain a quality workforce.

Approach

We limited the survey to private companies that, like the government, had employees in multiple locations. We mailed questionnaires to all U.S. companies that our data source showed had at least 25,000 employees and 10 or more employment locations.¹ (See app. I for a copy of the questionnaire.) The data source identified 153 such companies. We then further limited our analysis to companies that in addition to the above criteria, also had at least 100 workers in each of the 10 or more locations. On the basis of information subsequently provided in the companies' completed questionnaires or in telephone conversations with

¹Our data source was the August 1989 file compiled by Trinet, Inc., a provider of information on American businesses. This file has information on public and private U.S. companies in all sectors of industry that have 20 or more employees.

company representatives, we excluded 23 of the 153 companies because they were below our size cut-off or did not have at least 100 workers in each of 10 or more locations. Of the final universe of 130 companies, we received 83 usable responses for a response rate of 64 percent. (See app. II for a listing of the 130 companies.) The information in this report only pertains to the 83 respondents and cannot be used to generalize about employment practices in the private sector as a whole.

Recruitment/Hiring Practices

According to demographic projections, an increasing number of jobs will require college degrees in the 1990s and beyond; yet, the number of people with the qualifications to fill these positions is expected to decline.² Therefore, the questionnaire asked about the methods the companies used to attract new employees for jobs in the officials and managers category and in the professionals category.³

The respondents reported they used a relatively wide range of recruitment practices for officials and managers but relied heavily on campus recruitment for professionals.

For officials and managers, 23 respondents said they used campus recruitment to a great or very great extent. However, 40 respondents said they used college recruitment to little or no extent for officials and managers. In fact, none of the recruiting methods listed in the questionnaire dominated in the companies' responses for this job category. Referrals from company employees, external search firms, and newspaper advertisements received the most ratings between some and great extent, but none of these methods was rated highly by a majority of the respondents. Job fairs were the least used method to recruit officials and managers. Table 1 shows the recruitment methods used by the respondents to recruit officials and managers.

²See, for example, *Workforce 2000*, Hudson Institute (June 1987) and *Civil Service 2000*, Hudson Institute (June 1988).

³Officials and managers are personnel who set broad policies, exercise overall responsibility for execution of these policies, and direct individual departments or special phases of a firm's operations (e.g., executives, plant managers, and superintendents). Professional occupations require a college degree or comparable background (e.g., accountants, architects, and engineers).

Table 1: Use of Various Recruitment Methods for Officials and Managers

Methods	Extent used				Little or no
	Very great	Great	Moderate	Some	
	(Number of respondents) ^a				
Campus recruiting	14	9	7	9	40
External search firms	8	24	22	16	11
Referrals from company employees	6	13	22	29	10
Newspaper ads	5	15	27	16	18
Company brochures	5	7	13	12	42
Employment agencies	3	9	22	16	29
Job fairs	3	4	12	11	50
Trade journals and magazines	1	8	17	28	26

^aThe number of companies in each row does not total 83 because some companies did not answer for a particular recruitment method.

As shown in table 2, campus recruiting was the dominant recruiting method for professional positions. Fifty-two companies said they used college recruiting to a great or very great extent. Newspaper advertisements was the second highest rated method, with 36 respondents reporting it was used to a great or very great extent. Other, less utilized recruitment methods for professionals included referrals from company employees, company brochures, trade journals, job fairs, search firms, and employment agencies.

Table 2: Use of Various Recruitment Methods for Professionals

Methods	Extent used				Little or no
	Very great	Great	Moderate	Some	
	(Number of respondents) ^a				
Campus recruiting	30	22	13	10	6
Newspaper ads	11	25	24	13	8
Referrals from company employees	6	20	22	27	6
Company brochures	7	14	21	20	18
Trade journals and magazines	3	16	20	32	10
Job fairs	7	11	24	22	17
External search firms	3	10	23	27	17
Employment agencies	5	7	29	15	25

^aThe number of companies in each row does not total 83 because some companies did not answer for a particular recruitment method.

Most respondents said they began their recruitment efforts for positions that require college degrees when students were still in school—not after they graduated. For example, 38 companies targeted college

juniors, and 24 targeted students in their freshman or sophomore years of college.⁴ In addition, 16 of the companies said that they targeted students in their senior year of high school or upon graduation from high school. Of the 83 companies, 12 companies said they did not target students before graduation for positions that require college degrees.

Under the presumption that employers receive more applications from college graduates for available positions than the number actually hired, the questionnaire asked about the factors the companies used in deciding which applicants to hire. The factor receiving the highest rating was the personal interview. (See table 3.) Forty-six companies rated the personal interview as being of very great importance, and 33 rated it as being of great importance. Other factors that at least half the respondents considered to be of great or very great importance were grade point average and work experience. Very few respondents said they considered tests of any kind (aptitude, psychological, or honesty) to be important factors in deciding whom to hire. Of the companies who said they used such tests, the responses tended to be clustered around moderate to little or no importance.

Table 3: Importance of Various Factors Considered by Companies When Hiring Entry Level Staff

Factors	Level of Importance					Did not use
	Very great	Great	Moderate	Some	Little or no	
	(Number of respondents) ^a					
Personal interviews	46	33	2	0	0	0
Work experience	18	32	23	6	1	0
Grade point average	13	48	16	3	0	0
College attended	7	33	28	10	2	0
References	7	31	21	13	6	2
Extracurricular activities	1	22	37	16	3	0
Worked to pay own college expenses	3	14	30	23	8	1
Community involvement	0	13	33	29	3	0
Aptitude tests	5	4	16	6	14	33
Psychological tests	3	2	5	2	9	57
Honesty tests	2	1	4	3	9	59

^aThe number of companies in each row does not total 83 because some companies did not answer for a particular factor

⁴For this question, companies could check as many boxes as applied so the numbers of responses exceeded 83.

Benefit Practices

The questionnaire listed 21 benefit programs and asked the respondents to rate the importance of each benefit as part of an employee compensation package. The respondents were asked to rate the benefits separately for exempt and nonexempt employees.⁵ The respondents' views of the importance of specific benefit programs were generally comparable for exempt and nonexempt employees, indicating that the companies did not perceive any significant differences in the benefit program needs of these different employee types.

Nearly all of the respondents included 11 of the 21 benefit programs in their employee compensation packages.⁶ However, the companies' rating of the importance of the 11 programs varied considerably. Over 85 percent of the respondents (71 to 78 companies) rated each of three benefit programs as being of great or very great importance. These programs were health insurance (rated the most important of all the 21 programs), retirement plan, and employee savings plan. Forty to 77 percent of the respondents (33 to 63 companies) rated each of the other eight benefit programs as being of great or very great importance. These programs were life insurance, dental insurance, long-term disability insurance, vacation days, short-term disability insurance, survivor benefits in the retirement plan, disability retirement plan, and paid holidays.

The remaining 10 benefit programs often were not provided in the respondents' compensation packages (from 18 to 68 of the 83 companies did not provide them), and most of the companies that provided these benefits considered them to be of little to moderate importance. These 10 benefits were employee stock ownership plan, employee stock purchase plan, sick days, profit sharing plan, personal days off, vision care, income tax advantages to employees, discounted or free company products and services, discounted or free parking, and legal services. Table 4 shows how the respondents rated the importance of the 21 benefits for exempt employees.

⁵In general, nonmanagement positions (blue-collar, clerical, technical, etc.) are classified as nonexempt, meaning they are subject to the overtime provisions of the Fair Labor Standards Act. Other employees are usually considered exempt from the provisions of the act.

⁶The data presented here are for exempt employees because the federal government employed more exempt than nonexempt employees as of September 1990.

Table 4: Importance of Various Benefits for Exempt Employees

Benefits	Level of importance					Benefit not offered
	Very great	Great	Moderate	Some	Little or no	
	(Number of respondents) ^a					
Health insurance	58	20	4	1	0	0
Retirement	49	24	5	2	0	3
401(k) savings plan	47	24	6	6	0	0
Life insurance	24	39	16	3	0	0
Dental insurance	23	29	25	2	0	4
Long term disability insurance	18	30	25	9	1	0
Vacation days	10	38	29	5	0	0
Short term disability insurance	17	29	17	11	1	7
Survivor benefits	21	22	24	8	1	6
Disability retirement	14	23	25	10	3	7
Paid holidays	6	27	37	9	2	1
Employee stock ownership plan	13	16	10	3	5	34
Stock purchase	11	14	13	10	4	28
Income tax advantage	8	19	24	9	3	18
Profit sharing	11	10	5	6	4	44
Sick days	3	16	24	10	7	23
Personal days	3	16	24	10	6	20
Vision care	4	11	15	12	4	37
Product discounts	3	8	7	14	15	35
Parking	2	5	13	11	14	37
Legal	0	1	3	2	8	68

^aThe number of companies in each row does not total 83 because some companies did not answer for a particular benefit.

The questionnaire also asked about the companies' practices regarding "cafeteria benefit" plans. These types of plans allow employees to tailor benefit packages to meet their own needs within specified cost limits. Of the 82 companies responding to this question, 9 said they had cafeteria plans in place. A number of respondents—20 companies—said they offered employees some choices in benefits but not a full cafeteria benefit plan. Five others said they had decided to offer cafeteria benefit plans in the future, and 19 respondents said they were considering cafeteria benefit plans but had not yet made final decisions. Nineteen respondents said they had considered cafeteria benefit plans but decided not to implement them.

Private Sector Pay Practices

The need to pay competitive wages and salaries was clearly an important objective for the survey respondents. Sixty-six of the 83 companies said their objective was to pay at or above the average of what other employers pay. Of these 66 companies, 21 said their objective was to pay above the average. Also, 67 companies said they adjust their pay schedules annually.

When asked specifically about other employers whom the respondents considered to be their competition for wage and salary rates, 76 of the 83 companies said it was of great importance to pay rates comparable to other employers in their own industries. Ten companies said it was of great importance to consider all industries in determining wage and salary amounts. Moreover, the respondents generally considered companies of similar size to be their wage and salary competitors. While 52 companies said it was of great importance to pay rates comparable to other companies of similar size, 8 companies felt it was of great importance to consider companies of all sizes.

The respondents also indicated that cost-of-living considerations are often an important factor when they adjust their wage and salary schedules. Sixty-three companies said they consider the cost of living; 39 of these 63 companies said cost of living was of moderate to great importance in their adjustment processes. Nineteen companies said they did not consider the cost of living when adjusting their wage and salary schedules.

A widely followed practice among the respondents was to base individual employees' pay adjustments on job performance. Seventy-eight companies said the individual's job performance was of great importance when determining the amount of pay. In fact, 45 companies said they did not grant increases to all employees when wage and salary schedules were adjusted, and 60 companies either did not consider length of service in the job in granting individual pay increases or considered it to be of little importance.

Thirty-seven companies said they considered group performance in determining pay increases; however, only one company considered group performance to be of great importance compared to individual performance.

Locality Pay Practices

We asked the companies about the extent to which their wage and salary schedules for the same jobs differed by geographic location. The

companies were asked to specify their locality pay practices for nine job categories, including officials and managers, professionals, technicians, sales people, office and clerical workers, craft workers (skilled), operatives (semiskilled), laborers (unskilled), and service employees.⁷ While a wide variety of practices was reported, 71 of the 83 companies (about 85 percent) said their wage or salary schedules differed by locality for at least one of the job categories.

Twelve companies said they used national schedules for all employee categories, and one company used local schedules for all categories. The remaining 70 companies reported a combination of national and local schedules. In these 70 companies, 40 used national schedules for all officials and managers and professional staff; an additional 10 used national schedules for all their officials and managers. In 2 of the 70 companies, national schedules were used for professional staff only.

Even when national schedules were used for specific employee categories, over half the respondents said they provided these categories some type of differential based on geographic location. Assistance with housing costs in particular locations was the differential type most often reported, but the companies cited other locality differentials such as adding cost-of-living allowances to salary rates, providing incentive-to-move payments, adding onto base pay, varying pay raises, and placing employees in different levels of the pay range. Forty-five companies reported such differential practices.

In determining local pay schedules, some respondents said they considered rates paid by other employers in the locality. About the same number said they considered both local prevailing pay rates and local cost of living. A small number said they considered only cost-of-living differences among localities. Table 5 shows the factors, by job category, the respondents said they considered in determining local schedules.

⁷The service category includes attendants, such as nurse's aides and orderlies, elevator operators, janitors, doorkeepers, guards, and cleaners.

Table 5: Factors Used by Companies in Establishing Local Wage and Salary Schedules^a

Job categories	Cost of living only	Rates paid by other employers in the locality only (Number of respondents)	Combination of the two factors	Other ^b
Officials and managers	2	5	9	6
Professionals	3	9	12	7
Technicians	3	30	25	7
Sales people	2	14	14	5
Office and clerical workers	1	34	28	8
Craft workers (skilled)	1	27	26	12
Operatives (semiskilled)	1	29	25	11
Laborers (unskilled)	1	29	25	9
Service employees	1	28	26	10

^aData in this table are limited to responses by the 71 companies that indicated they used local schedules for at least one of the job categories

^bCollective bargaining with employee unions was the 'other' factor most often mentioned by companies that checked this category

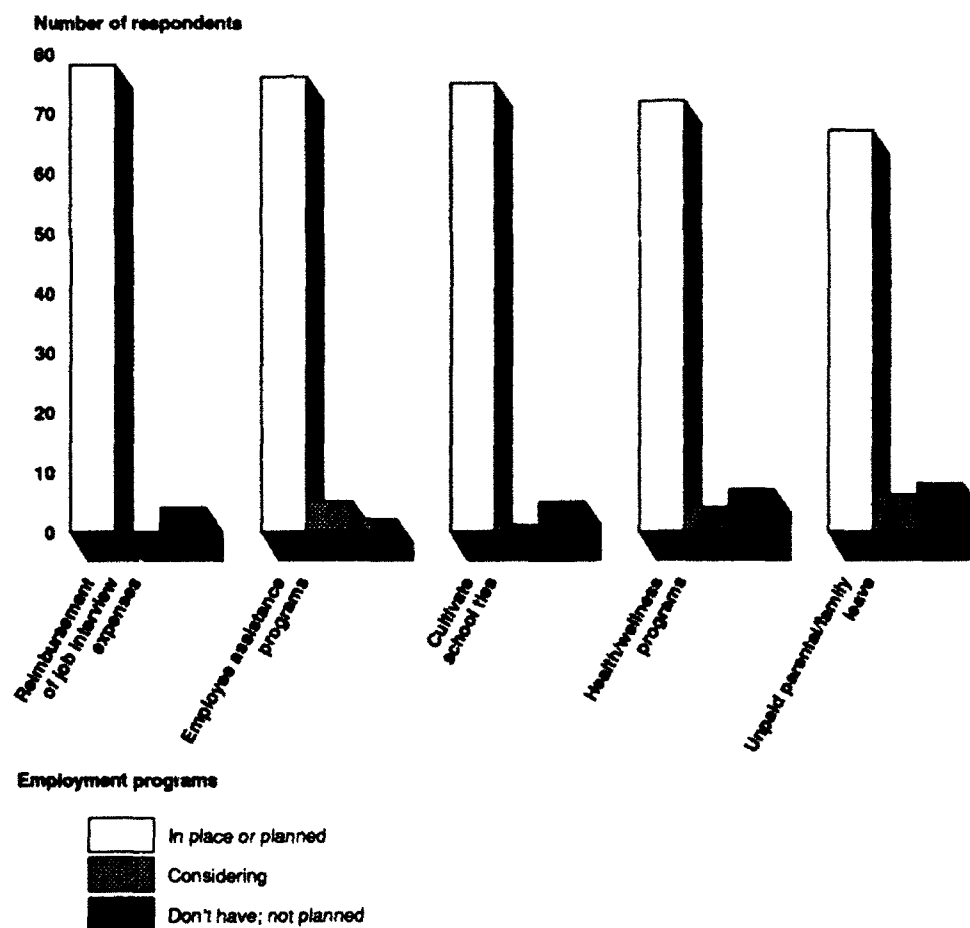
Other Employment Practices

The questionnaire asked the companies about other programs they might be planning or have in place to assist in attracting and retaining employees. Nineteen such programs were listed in the questionnaire (see app. I, section IV). Most of these programs focused on family issues and other employment challenges presented by demographic changes in the nation's workforce.

Five programs stood out as well established among the survey companies; more than 80 percent of the respondents (67 to 78 companies) indicated that programs were in place or planned to (1) reimburse interview expenses of prospective employees, (2) cultivate ties with schools to help improve the quality of potential future employees, (3) provide employee assistance programs, (4) sponsor health and wellness programs, and (5) allow employees to take unpaid parental or family leave.^a (See fig. 1.)

^aEmployee assistance programs provide counseling and referral services to help employees with personal and family problems.

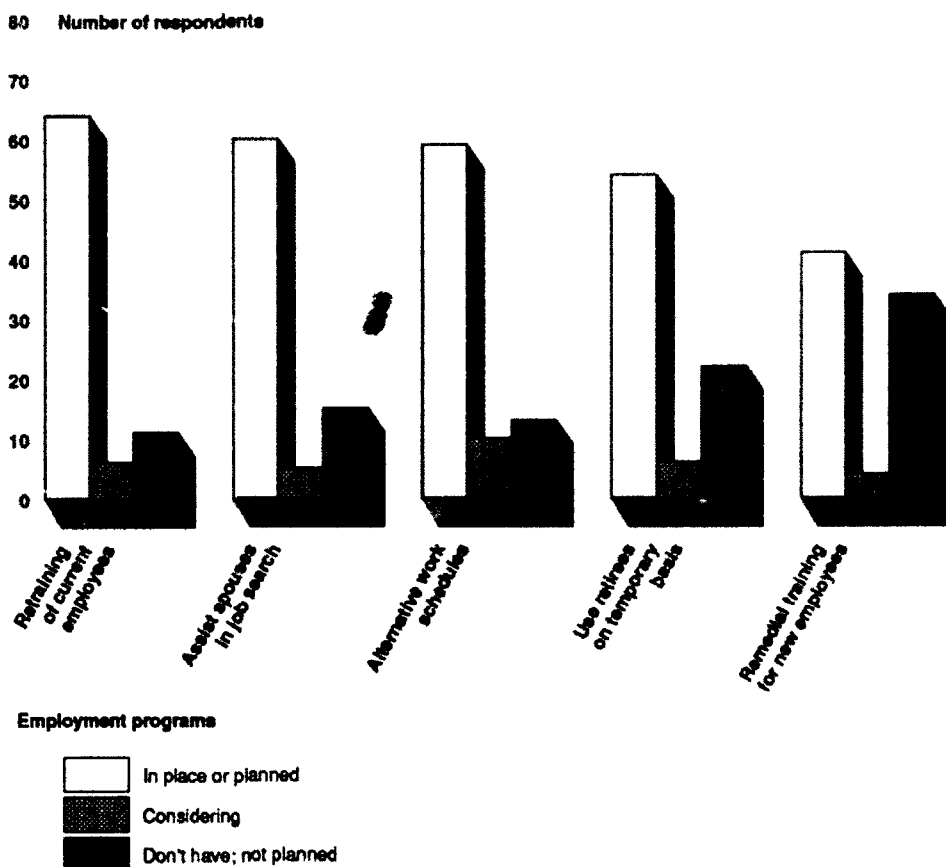
Figure 1: Employment Programs Widely in Place or Planned by the Respondents



Note: The number of companies does not total 83 because some companies did not answer for a particular employment program.

Between 50 and 80 percent of the respondents (41 to 64 companies) said five other programs were in place or planned. These programs included (1) retraining for current employees when necessary, (2) assisting spouses of transferring employees to find jobs in the new location, (3) alternative work schedules, (4) encouraging retirees to return to work when temporary needs arise, and (5) providing remedial training for new employees when necessary. (See fig. 2.)

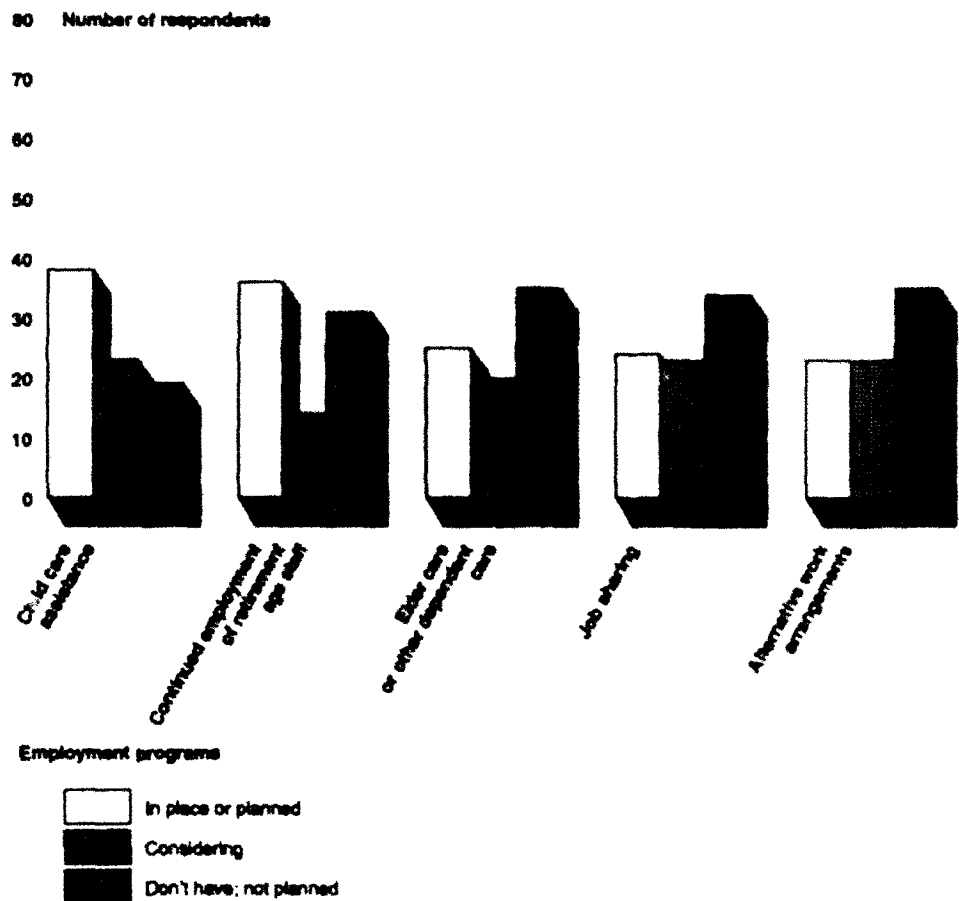
Figure 2: Employment Programs in Place or Planned by the Majority of Respondents



Note: The number of companies does not total 83 because some companies did not answer for a particular employment program.

Five programs were in place or planned by fewer than half of the respondents (23 to 38 companies), but, if adopted by all other respondents that said they were considering the programs, would be in place for the majority. Programs in this category included (1) child care assistance, (2) encouraging continued employment of retirement-age employees, (3) assistance in caring for elderly parents and other family members, (4) job sharing, and (5) alternate work arrangements (e.g., work at home). (See fig. 3.)

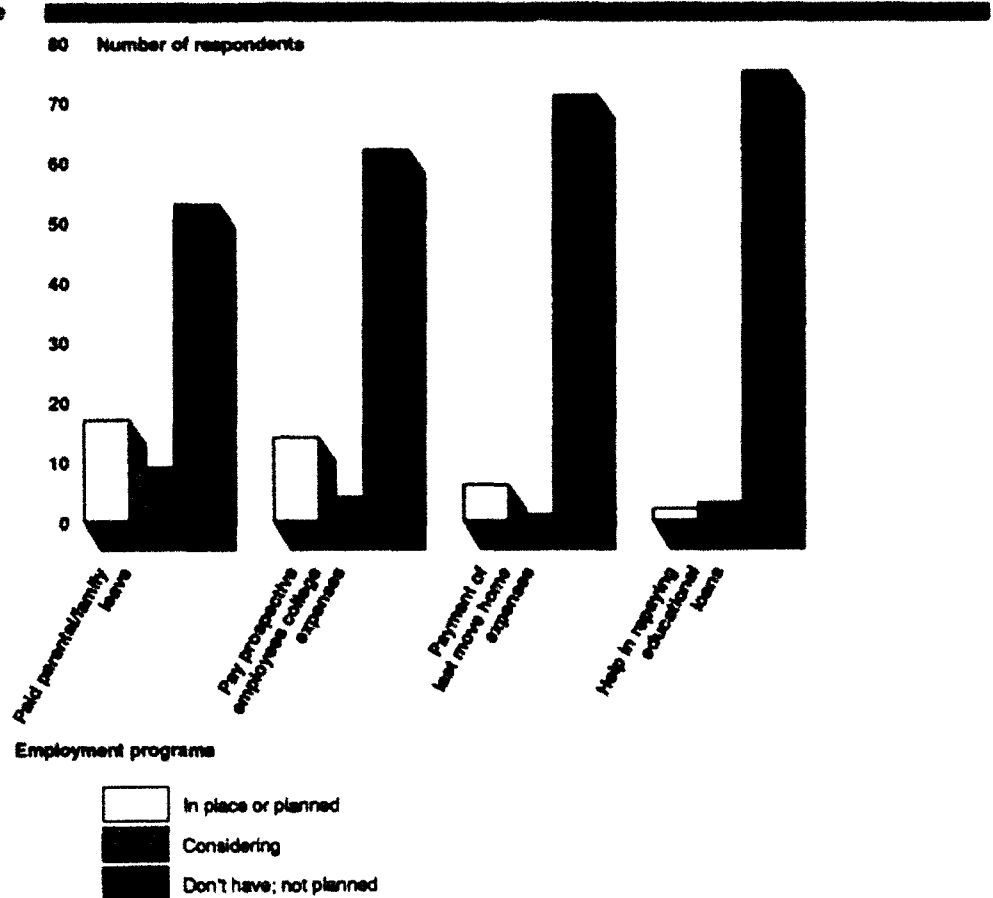
Figure 3: Employment Programs in Place or Planned by Fewer Than Half of Respondents but Being Considered by a Number of Others



Note: The number of companies does not total 83 because some companies did not answer for a particular employment program.

The remaining four programs were in place or planned by very few respondents (2 to 17 companies). These programs included (1) paid parental or family leave, (2) payment of prospective employees' college expenses, (3) payment of "last move home" expenses for retiring employees who had transferred during their careers, and (4) help in repaying new employees' educational loans. (See fig. 4.)

Figure 4: Employment Programs in Place or Planned by Very Few Respondents



Note: The number of companies does not total 83 because some companies did not answer for a particular employment program.

Copies of this report are being sent to parties interested in federal employment matters and will be available to others upon request.

The major contributors to the report are listed in appendix III. Please call me on (202) 275-6204 if you have any questions.

Rosslyn S. Kleeman

Rosslyn S. Kleeman
Director, Federal Workforce Future Issues

Contents

Letter	1
--------	---

Appendix I Survey of Pay and Employment Practices in the Private Sector	16
--	----

Appendix II List of the 130 Companies in Our Survey	29
--	----

Appendix III Major Contributors to This Report	31
--	----

Tables		
	Table 1: Use of Various Recruitment Methods for Officials and Managers	3
	Table 2: Use of Various Recruitment Methods for Professionals	3
	Table 3: Importance of Various Factors Considered by Companies When Hiring Entry Level Staff	4
	Table 4: Importance of Various Benefits for Exempt Employees	6
	Table 5: Factors Used by Companies in Establishing Local Wage and Salary Schedules	9

Figures		
	Figure 1: Employment Programs Widely in Place or Planned by the Respondents	10
	Figure 2: Employment Programs in Place or Planned by the Majority of Respondents	11
	Figure 3: Employment Programs in Place or Planned by Fewer Than Half of Respondents but Being Considered by a Number of Others	12
	Figure 4: Employment Programs in Place or Planned by Very Few Respondents	13

Survey of Pay and Employment Practices in the Private Sector

U.S. General Accounting Office



Survey of Pay and Employment Practices in the Private Sector

Introduction

The U.S. General Accounting Office is seeking information on private sector pay and other employment practices and their possible applicability to the federal government. The survey is being sent to 148 large companies with employees in at least 10 locations in the United States.

Most of the questions can be easily answered by checking boxes. Space has been provided for any additional comments at the end of the questionnaire. If necessary, additional pages may be attached.

The questionnaire should take about 30 minutes to complete. If you have any questions, please call Bob Shelton at (202) 275-6038 or Curtis Copeland at (202) 275-8101.

Your responses will be treated *confidentially* and will not be used in any way that will identify your company or its practices. Please return the completed questionnaire in the pre-addressed envelope within 10 days of receipt. In the event the envelope is misplaced, the return address is:

U.S. General Accounting Office
Mr. Curtis Copeland
Room 3828
441 G Street, N.W.
Washington, D.C. 20548

The questionnaire results and other analyses we are doing will be included in our report to Congress. We will be pleased to provide copies of the report to all survey participants.

Thank you for your help.

• • • • •

Please provide the following information

Company name: _____

Respondent name: _____

Respondent title: _____

Telephone number: _____ (Area code) _____ (Number)

IF YOU ARE A PARENT COMPANY WITH ONE OR MORE SUBSIDIARIES, PLEASE RESPOND TO THIS QUESTIONNAIRE FOR THE PARENT COMPANY ONLY.

A. Please enter below the approximate number of permanent employees in your company in 1989. (ROUND TO THE NEAREST 1,000)

a. Number of full-time employees _____

b. Number of part-time employees _____

c. TOTAL _____

B. Please enter below the number of states and cities/counties in which you have establishments of at least 100 employees each

a. Number of states _____

b. Number of cities/counties _____

IF YOU DID NOT ENTER AT LEAST "10" IN EITHER B a OR B.b ABOVE, PLEASE STOP HERE AND RETURN THE QUESTIONNAIRE.

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

I. PAY PRACTICES

1. In your company, of how much importance are the following compensation approaches in setting employee pay levels? (CHECK ONE BOX IN EACH ROW. IF A LISTED APPROACH IS NOT FOLLOWED, CHECK COLUMN 1.)

PAY SETTING APPROACHES	Not applicable (1)	Great importance (2)	Moderate importance (3)	Little importance (4)
1. Wages and salaries are comparable with rates paid by other employers (either locally or nationally):				
a. In all industries				
b. In our industry				
c. Of all sizes				
d. Of comparable size to our company				
2. Wage and salary schedule adjustments reflect changes in the cost of living				
3. Increases are granted to all employees when wage and salary schedules are adjusted				
4. Employees move through the wage and salary schedules based on individual performance				
5. Employees move through the wage and salary schedules based on length of service in the job				
6. Job performance is assessed and rewards are determined on a group basis, rather than an individual employee basis				
7. Other (specify) _____				

2. What is your company's wage and salary objective in relation to market rates? (CHECK ONE.)

1. ☐ Generally above the 50th percentile of others' rates
2. ☐ About the 50th percentile of others' rates
3. ☐ Generally below the 50th percentile of others' rates
4. ☐ Other (specify) _____
5. ☐ Not applicable/not an objective

3. How often are your company's wage and salary schedules adjusted? (CHECK ONE.)

1. ☐ More often than annually
2. ☐ Annually
3. ☐ Less often than annually
4. ☐ Other (specify) _____

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

LOCAL WAGE OR SALARY SCHEDULES

4. Do your company's wage or salary schedules differ by geographic location for any employees, in any job category, i.e., are the same jobs paid more or less in some locations than in others? (CHECK ONE.)

1. ☐ Yes (CONTINUE TO QUESTION 5.)
2. ☐ No (SKIP TO NOTE ABOVE QUESTION 11.)

5. For each job category, please indicate if a local, national, or a combination type of wage or salary schedules applies (CHECK ONE BOX FOR EACH CATEGORY. IF YOU DON'T HAVE EMPLOYEES IN A JOB CATEGORY, CHECK COLUMN 1. NOTE: THESE JOB CATEGORIES ARE THE SAME AS ON THE EMPLOYER INFORMATION REPORT EEO-1 FORM.)

JOB CATEGORIES	Not applicable/ Do not have employees in job category (1)	Only local schedules apply (2)	Only national schedule applies (3)	Some local, some national (4)
1. Officials and managers				
2. Professionals				
3. Technicians				
4. Sales				
5. Office and clerical				
6. Craft workers (skilled)				
7. Operatives (semiskilled)				
8. Laborers (unskilled)				
9. Service				

Appendix I
Survey of Pay and Employment Practices in
the Private Sector

6. Which of the following factors, if any, are used in determining local wage or salary schedules for each job category? (CHECK ALL THAT APPLY IN EACH ROW. IF LOCAL SCHEDULES ARE NOT USED FOR A CATEGORY, CHECK "NOT APPLICABLE" COLUMN 6.)

JOB CATEGORIES	Not applicable/ employees not in job category (1)	Cost of living only (2)	Rates paid by other employers in the locality only (3)	Combination of cost of living and rates paid by other employers in locality (4)	Other (specify) (5)	Not applicable local schedules not used (6)
1. Officials and managers						
2. Professionals						
3. Technicians						
4. Sales						
5. Office and clerical						
6. Craft workers (skilled)						
7. Operatives (semiskilled)						
8. Laborers (unskilled)						
9. Service						

7. Please explain briefly why and in what manner the factors you checked in question 6 are applied to the job categories on local schedules.

8. When the company directs employees on local salary schedules to relocate, are their pay rates generally adjusted to correspond with rates paid in the new location?

1. ☐ Yes (CONTINUE TO QUESTION 9.)
2. ☐ No (SKIP TO NOTE ABOVE QUESTION 11.)
3. ☐ Not applicable. Employees in job categories on local schedules generally are not relocated. (SKIP TO NOTE ABOVE QUESTION 11.)

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

9. How are pay rates adjusted when employees on local wage or salary schedules are relocated at the company's direction? (CHECK ALL THAT APPLY FOR EACH JOB CATEGORY. IF LOCAL WAGE OR SALARY SCHEDULES ARE NOT USED FOR A CATEGORY, CHECK "NOT APPLICABLE", COLUMN 7.)

JOB CATEGORIES	Not applicable/ employees not in this job category (1)	Any adjustments are upward only (2)	Any adjustments are downward only (3)	Upward or downward adjustments may be made (4)	Adjustments vary by employee (5)	Other (specify) (6)	Not applicable (7)
1. Officials and managers							
2. Professionals							
3. Technicians							
4. Sales							
5. Office and clerical							
6. Craft workers (skilled)							
7. Operatives (semiskilled)							
8. Laborers (unskilled)							
9. Service							

10. Can the pay rate adjustment practices indicated in your response to question 9 differ if an employee relocates at his or her own initiative?

1. ☐ Yes (please explain) _____
2. ☐ No

NATIONAL WAGE OR SALARY SCHEDULES

NOTE: QUESTIONS 11 AND 12 CONCERN PRACTICES THAT MAY BE APPLIED TO EMPLOYEES WORKING IN DIFFERENT LOCATIONS. THEY ARE NOT LIMITED TO PRACTICES FOLLOWED WHEN EMPLOYEES TRANSFER BETWEEN LOCATIONS

11. For employees in job categories paid on a national schedule, is any type of premium, differential, or other consideration ever paid based on geographic location?

1. ☐ Yes (CONTINUE TO QUESTION 12.)
2. ☐ No (SKIP TO QUESTION 13.)

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

- 12 Which of the following types of premiums, differentials, and other considerations are paid in *varying amounts* to employees on a national pay schedule based on their geographic locations? (CHECK ALL THAT APPLY FOR EACH JOB CATEGORY. IF A JOB CATEGORY IS NOT PAID ON A NATIONAL SCHEDULE, CHECK "NOT APPLICABLE". COLUMN 10.)

JOB CATEGORIES	Not applicable/ employees not in this job category (1)	Pay raise amounts (2)	Placement in the pay range (3)	Cost-of-living allowances (4)	Add-ons to base pay (5)	Housing assistance (6)	Incentive to move payments (7)	Job evaluation/ Classification differences (8)	Other (specify) (9)	Not applicable (10)
1. Officials and managers										
2. Professionals										
3. Technicians										
4. Sales										
5. Office and clerical										
6. Craft workers (skilled)										
7. Operatives (semiskilled)										
8. Laborers (unskilled)										
9. Service										

NOTE: IF POLICY DOCUMENTS ARE AVAILABLE EXPLAINING ANY OF THE PRACTICES YOU CHECKED, PLEASE SEND COPIES WITH YOUR COMPLETED QUESTIONNAIRE.

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

II. BENEFIT PRACTICES

13. Of how much importance, if any, to your company are the following fringe benefits as part of the employee compensation package? (COMPLETE PART A FOR EMPLOYEES EXEMPT FROM THE OVERTIME PROVISIONS OF THE FAIR LABOR STANDARDS ACT AND PART B FOR EMPLOYEES NONEXEMPT FROM THOSE PROVISIONS IN THE APPROPRIATE BOXES IN EACH ROW. IF A LISTED BENEFIT IS NOT OFFERED, CHECK "NOT APPLICABLE".)

PART A: EXEMPT EMPLOYEES FRINGE BENEFITS	Very great importance (1)	Great importance (2)	Moderate importance (3)	Some importance (4)	Little or no importance (5)	Not applicable (6)
1. Retirement plan						
2. Employee savings plan (e.g., 401(k))						
3. Employee stock ownership plan						
4. Employee stock purchase plan						
5. Profit sharing plan						
6. Disability retirement benefits						
7. Long-term disability insurance						
8. Short-term disability insurance						
9. Survivor benefits in retirement plan						
10. Health insurance plan						
11. Life insurance plan						
12. Dental insurance plan						
13. Vision care						
14. Legal services						
15. Discounted or free company products and services						
16. Discounted or free parking						
17. Number of sick days allowed						
18. Number of vacation days allowed						
19. Number of personal days off allowed						
20. Number of paid holidays						
21. Income tax advantages to employees (flexible spending accounts, etc.)						
22. Other (specify) _____						

(QUESTION 13 PART B CONTINUED ON NEXT PAGE.)

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

(QUESTION 13 CONTINUED)

PART B: NONEXEMPT EMPLOYEES FRINGE BENEFITS	Very great importance (1)	Great importance (2)	Moderate importance (3)	Some importance (4)	Little or no importance (5)	Not applicable (6)
1. Retirement plan						
2. Employee savings plan (e.g., 401(k))						
3. Employee stock ownership plan						
4. Employee stock purchase plan						
5. Profit sharing plan						
6. Disability retirement benefits						
7. Long-term disability insurance						
8. Short-term disability insurance						
9. Survivor benefits in retirement plan						
10. Health insurance plan						
11. Life insurance plan						
12. Dental insurance plan						
13. Vision care						
14. Legal services						
15. Discounted or free company products and services						
16. Discounted or free parking						
17. Number of sick days allowed						
18. Number of vacation days allowed						
19. Number of personal days off allowed						
20. Number of paid holidays						
21. Income tax advantages to employees (flexible spending accounts, etc.)						
22. Other (specify) _____						

Appendix I
Survey of Pay and Employment Practices in
the Private Sector

14. Has your company ever considered or offered a "cafeteria benefits" plan in which employees can tailor benefit packages to their own needs? (CHECK ONE)

1. ☐ Never considered a cafeteria benefits plan
2. ☐ Currently considering a cafeteria benefits plan, but haven't yet decided whether or not to offer one
3. ☐ Considered a cafeteria benefits plan, but decided *not* to implement it (PLEASE EXPLAIN WHY) _____
4. ☐ Considered a cafeteria benefits plan, and plan to offer it
5. ☐ Currently offer some choices in benefits, but not a full cafeteria benefits plan
6. ☐ Currently offer a cafeteria benefits plan (IF AT ALL POSSIBLE, PLEASE SEND US A DESCRIPTION OF THE PROGRAM WITH YOUR COMPLETED QUESTIONNAIRE)
7. ☐ Other (specify) _____

III. RECRUITMENT/HIRING PRACTICES

15. To what extent, if at all, does your company use each of the following recruiting methods to attract potential employees in the *officials and managers* and *professional* job categories? (CHECK ONE BOX UNDER "OFFICIALS AND MANAGERS" AND ONE BOX UNDER "PROFESSIONALS" IN THE APPROPRIATE BOXES IN EACH ROW.)

	OFFICIALS AND MANAGERS					PROFESSIONALS				
	Very great extent (1)	Great extent (2)	Moderate extent (3)	Some extent (4)	Little or no extent (5)	Very great extent (1)	Great extent (2)	Moderate extent (3)	Some extent (4)	Little or no extent (5)
1. Job fairs										
2. Newspaper ads										
3. Trade journals and magazines										
4. Campus recruiting										
5. Company brochures										
6. External search firms										
7. Employment agencies										
8. Referrals from company employees										
9. Other (specify) _____										

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

16. Please describe any specific recruiting practice(s) that you have found to be particularly successful for any employee category listed below. (PLEASE EXPLAIN BRIEFLY.)

1. OFFICIALS AND MANAGERS

2. PROFESSIONALS

3. TECHNICIANS

4. SALES

5. OFFICE AND CLERICAL

6. CRAFT WORKERS (skilled)

7. OPERATIVES (semiskilled)

8. LABORERS (unskilled)

9. SERVICE

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

17. At what point in their education does your company begin targeting students to recruit for positions for which college degrees are required? (CHECK ALL THAT APPLY.)

- 1 ☐ Do not target students
- 2 ☐ Upon graduation from college
- 3 ☐ Senior year of college
- 4 ☐ Junior year of college
- 5 ☐ Freshman or sophomore year of college
- 6 ☐ Upon graduation from high school
- 7 ☐ Senior year of high school
- 8 ☐ Practices vary by occupation (PLEASE EXPLAIN) _____
- 9 ☐ Other (specify) _____

18. In determining which college graduates to hire at the entry level, of how much importance, if any, to your company is each of the following factors? (CHECK ONE BOX IN EACH ROW. IF A FACTOR IS NOT USED, CHECK "NOT APPLICABLE" COLUMN.)

FACTORS	Of very great importance (1)	Of great importance (2)	Of moderate importance (3)	Of some importance (4)	Of little or no importance (5)	Not applicable (6)
1. Grade point average						
2. Particular college attended						
3. Extra curricular activities						
4. Work experience						
5. Community involvement activities						
6. Worked to pay own college expenses						
7. Aptitude tests						
8. Honesty tests (written)						
9. Psychological tests						
10. Personal interviews						
11. References (character, job, or academic)						
12. Other (specify) _____						

**Appendix I
Survey of Pay and Employment Practices in
the Private Sector**

IV. OTHER EMPLOYMENT PRACTICES

19. Which of the following practices, if any, does your company engage in or have plans for doing so? (CHECK ONE BOX IN EACH ROW.)

EMPLOYMENT PRACTICES	Currently have (1)	Plan on having (2)	Considering but haven't decided (3)	Don't have, nor planned (4)
1. Provide child care assistance				
2. Provide assistance in caring for elderly parents and other dependents				
3. Allow unpaid parental or family leave				
4. Allow paid parental or family leave				
5. Allow alternative work schedules (e.g., "flextime")				
6. Promote job sharing				
7. Allow alternative work arrangements (e.g., work at home)				
8. Assist spouses of transferring employees to find jobs in the new location				
9. Reimburse job interview expenses for prospective employees				
10. Provide remedial training program for new employees when necessary				
11. Cultivate ties with schools to help improve the quality of potential future employees				
12. Pay college expenses for prospective employees				
13. Help repay new employees' education loan(s)				
14. Sponsor health and wellness programs				
15. Provide Employee Assistance Programs				
16. Provide re-training programs for current employees when necessary				
17. Encourage continued employment of retirement-age employees				
18. Encourage retirees to return to work when temporary needs arise				
19. Pay "last move home" expenses for retiring employees who had transferred during their careers at the company's request				
20. Other (specify) _____				

Appendix I
Survey of Pay and Employment Practices in
the Private Sector

V. COMMENTS

20. If you have any comments about the questions in this survey or about other pay, benefits, recruiting/hiring, and general employment issues we should pursue, please write them below.

21. Would you or other company officials be willing to meet with GAO representatives to discuss the issues addressed in this survey? (CHECK ONE.)

1. ☐ No

2. ☐ Yes (IF YES, PLEASE ENTER NAME, TITLE, AND TELEPHONE NUMBER OF CONTACT.)

Name: _____

Title: _____

Telephone: _____
(Area code) (Number)

If you would like a copy of our report to the Congress, please check here. ☐

Thank you for your help.

List of the 130 Companies in Our Survey¹

3M Company	Honeywell, Inc.
Aetna Life and Casualty	Hospital Corporation of America
Allied-Signal	Humana, Inc.
Aluminum Company of America	International Business Machines
American Brands, Inc.	International Paper
American Express Company	ITT Corporation
American Stores Company	JC Penney Company, Inc.
American Telephone & Telegraph	James River Corporation
Anheuser-Busch Companies, Inc.	Johnson Controls, Inc.
ARA Services, Inc.	Johnson & Johnson
Asea Brown Boeri	K Mart Corporation
Ashland Oil, Inc.	Kelso & Company
Boeing Company	Kohlberg Kravis Roberts
Baxter Health Care Corporation	Kroger Company
Bellsouth Corporation	Limited, Inc.
Bethlehem Steel Corporation	Litton Industries
Borden, Inc.	Lockheed Corporation
Brown & Root Corporate Services, Inc.	Loews Corporation
Burlington Industries, Inc.	Marriott Corporation
Campbell Soup Company, Inc.	Martin Marietta Corporation
Cargill, Inc.	May Department Stores
Caterpillar, Inc.	McDermott, Inc.
Chase Manhattan Bank	McDonnell Douglas Corporation
Chevron Corporation	Melville Corporation
Chrysler Corporation	Merrill Lynch
Cigna Corporation	Mobil Corporation
Circle K Corporation	Monsanto
Citicorp/Citibank	Montgomery Ward & Company, Inc.
ConAgra	Motorola, Inc.
Consolidated Rail Corporation	National Cash Register
Cooper Industries, Inc.	National Medical Enterprises
Dayton Hudson Corporation	NYNEX
Deere and Company	Northrop Corporation
Digital Equipment Corporation	Occidental Petroleum
Dresser Industries, Inc.	PPG Industries
Dow Chemical	Pepsi Company
E.I. DuPont De Nemours and Company	Philip Morris, Inc.
E Systems, Inc.	Proctor & Gamble
Eaton Corporation	Prudential
Eastman Kodak Company	R. H. Macy & Company, Inc.
Emerson Electric Company	Raytheon Company
Exxon	Rockwell International
F. W. Woolworth	Ryder System, Inc.
Farley Industries	Sears, Roebuck and Company
First City Bank Corporation of Texas, Inc.	Security Pacific Corporation
First Interstate Bankcorp	Southern Company
Ford Motor Company	Southwestern Bell Telephone
GTE Corporation	Springs Industries, Inc.
Gannett Company, Inc.	State Farm Insurance Companies
General Dynamics Corporation	TRW, Inc.
General Electric	Tandy Corporation
General Mills	Teledyne, Inc.
General Motors Corporation	Texaco, Inc.
Georgia-Pacific Corporation	Texas Instruments, Inc.
Goodyear Tire and Rubber Company	Textron, Inc.
Grumman Corporation	UNISYS Corporation
Harris Corporation	United Technologies Corporation
HealthTrust, Inc.	US West
Hewlett Packard Company	USX Corporation
Hilton Hotels Corporation	Union Carbide
Holiday Corporation	United Airlines

(continued)

¹Of these 130 companies to whom we sent questionnaires, 83 usable responses were received.

Appendix II
List of the 130 Companies in Our Survey

W. R. Grace and Company
Wal-Mart Stores, Inc.
Westinghouse Electric Corporation
Weyerhaeuser
Whitman Corporation
Wickes Companies, Inc.
Winn-Dixie Stores, Inc.
Xerox Corporation

Major Contributors to This Report

**General Government
Division, Washington,
D.C.**

Robert E. Shelton, Assistant Director, Federal Workforce Future Issues
Laura Shumway, Project Director
Tyra DiPalma, Evaluator-in-Charge